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UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

In re:	)	Case No. 10-20525
	)	Chapter 11
<b>CARL M. JOHNSON and</b>	)	Docket Control No.: UST-1
<b>SAUNDRA E. JOHNSON</b>	)	
	)	Date: August 30, 2011
	)	Time: 9:32 AM
Debtors	)	Place: 501 I Street, 6th Floor
	)	Sacramento, CA 95814
	)	Department B – Courtroom 32
	)	
	)	Judge: Hon. Thomas C. Holman
	)	
	)	<b>DECLARATION OF DEBTORS IN SUPPORT OF</b>
	)	<b>OPPOSITION TO TRUSTEE'S MOTION TO</b>
	)	<b>DISMISS</b>

Debtors, CARL M. JOHNSON and SAUNDRA E. JOHNSON, in support of opposition to the Trustee's Motion to Dismiss declare as follows:

1. We are not clear as to why, but our experience with our previous attorney began to drastically change. The signs of this did not occur immediately; but whatever the 'situation' was causing this change, it created a gradual and progressively deteriorating situation within our case. As a result, normal day to day activities of our case were not occurring whatsoever. Documents were not being filed, or being filed in a timely manner and any/all communication with counsel or counsel's office came to a halt. After much consideration, we felt it necessary to seek out new

1 counsel to assist us through the remainder of our case. Ultimately, we retained C. Anthony  
2 Hughes as our new attorney.

3  
4 2. With regard to late filed Monthly Operating Reports, the explanation is 2-fold. Debtors did, in  
5 fact, submit each and every Monthly Operating Report to previous counsel in a timely fashion.  
6 They sent each report to their attorney with the assumption that each report was being filed with  
7 the Court on time. It has since been made clear to them that the reports were actually not being  
8 filed as expected; this being due to the situation at hand within their attorney's office.

9  
10 However, since retaining new counsel, their Monthly Operating Report for July was filed on  
11 time. They have every expectation that all future reports will be filed on time, without issue.

12  
13 3. Since we decided to retain new counsel, our case has proceeded at top speed. The following  
14 activities have occurred:

15 Substitution of Attorney (CAH-001)

16 Motion to Employ C. Anthony Hughes (CAH-002)

17 Motion to Value Property – 519 V Street (CAH-003)

18 Motion to Value Property – 1833 William Bird (CAH-004)

19 Motion to Value Property #2 – 1833 William Bird (CAH-005)

20 Application for Conditional Approval of Combined Plan & Disclosure Statement (CAH-007)

21 Motion to Value Property #3 – 1833 William Bird (CAH-008)

22 Timely filing of the Monthly Operating Report

23 Amended Schedules & Budget (as seen in Exhibit A)

24  
25 Clearly, our case is being expedited without delay, since we decided to change our attorney.

1 4. With regard to our ability to effectuate a plan, there appears to be some confusion. The net  
2 number on our Monthly Operating Reports includes on-going deferred maintenance on our  
3 primary residence and rental properties. At the time of filing this Chapter 11 bankruptcy, the  
4  
5  
6 properties needed repairs as required by county regulation, as well as to maintain property  
7 integrity and value. Early in their case, they understood that it was best to redeploy as much of  
8 their net back into the properties. As this case has been lengthy, we have been able to resolve  
9 these issues. These expenses have been explained each month in our Monthly Operating Reports  
10 and receipts can be provided upon request to substantiate this. Consequently, they had not been  
11 advised to do otherwise with their net monies, which created the apparent appearance that we are  
12 not able to afford the plan payment. This is seen in the Amended Schedules & Budget (see  
13 Exhibit A). That being the case, to clarify, we are capable of affording and maintaining the plan  
14 payment suggested in the amended Plan & Disclosure Statement filed on August 1, 2011.  
15  
16

17  
18 We are so tired of being in Bankruptcy and we dread the thought of having to go through it again  
19 if this case gets dismissed. We feel we have done everything we could possibly do as a good  
20 Bankruptcy client. We did everything our previous Attorney asked us to do.  
21  
22

23 We are so glad to have Anthony Hughes moving so fast on our case. He answers our calls every  
24 time and he helps us to review documents quickly and sign and return them to him. He has been  
25 willing to work evenings with us after we get off work, and work on weekends to move as fast as  
26 possible in this case. Please give him a chance to help us get our case concluded quickly. We  
27 have no interest in delaying the process and we want to get a confirmed plan as soon as possible.  
28

1 We declare under penalty of perjury under the laws of the State of California that the foregoing  
2 is true and correct.

3 Executed at Sacramento, California on August 16, 2011.  
4

5  
6 By:

  
CARL M. JOHNSON

By:

  
SAUNDRA E. JOHNSON